

SECRET

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INFORMAL MINUTES OF A SPECIAL MEETING OF THE INTERDEPARTMENTAL
 FOREIGN INFORMATION ORGANIZATION CALLED AT THE REQUEST OF
 [REDACTED], ON THURSDAY OCTOBER 12, 1950, IN OFFICE OF DIRECTOR

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PRESENT:

Department of State - Mr. Barrett, Director
 Mr. Stone, Executive Secretary
 Mr. Hulten

Department of Defense - General Magruder
 Joint Chiefs of Staff - Admiral Stevens
 Central Intelligence Agency - [REDACTED]

Department of the Army - General McClure
 Economic Cooperation Administration - Mr. Drummond

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The meeting was called at the request of [REDACTED] to consider certain foreign information activities of ECA in a category which requires careful coordination with State Department and OPC.

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[REDACTED] stated that he felt it was important for the Board to discuss this problem with Mr. Drummond in order to assure the most effective coordination of the type of propaganda activity which necessarily involves important policy and security considerations. He noted that problems in this field had been discussed with the State Department and that an agreement was being worked out in writing defining activities and responsibilities in this field. [REDACTED] made it clear that he was not concerned with questions of jurisdictional interest, but was solely concerned in reaching an understanding which would achieve the most workable and effective coordination. He outlined several conditions under which the disclosure of the source would be detrimental, because it would (1) cause grave diplomatic embarrassment, (2) impair the effectiveness of the project, or (3) prejudice the medium employed.

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Mr. Drummond said that he favored coordination as long as it would not hamper getting the job done well. He was not concerned with jurisdictional issues and would cooperate fully with the State Department and ECA in seeing that specific projects were handled by the agency best equipped to do the job effectively. He pointed out that ECA information operations in Europe are based on the principle of double de-centralization, first to OSR in Paris and second, to the individual country missions which have considerable latitude in handling local

projects without having to refer to Washington. Mr. Drummond stated that ECA has worked on the principle that the most effective propaganda is frequently that conducted by indigenous organizations or groups. He gave several illustrations of the type of project which ECA had undertaken in this field:

1. Financial assistance to European publication, such as a proposed magazine devoted to European unity, usually in the form of payment for subscriptions.
2. Assistance to private local organizations or committees in France and Italy for dissemination of posters, printed material, etc.
3. Assistance to labor organizations, usually for purchase of leaflets or other material supporting Marshall Plan objectives.
4. Assistance in the production of films, usually by placing orders for prints.

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In response to a question by [redacted] Mr. Drummond stated that ECA does not always limit its use of local private organizations to the dissemination of information in support of Marshall Plan objectives. He said that in France and Italy, and perhaps certain other countries, ECA has gone beyond this in assisting private groups, but he believed that this was always done with the knowledge of the Ambassador. He stressed the fact that ECA always follows State Department policy guidances on issues like Korea.

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[redacted] stressed the need for effective coordination of projects which involve subsidies or financial aid to private groups abroad. As a general rule, he thought that the State Department and ECA should handle projects involving subscriptions to overt publications, purchase of leaflets and other overt printed materials, motion picture prints and posters, and that CIA should, in general, not enter this field or subsidize U. S. publishing firms and motion picture producers. On the other hand, he thought that the State Department and ECA should not engage in subsidizing foreign groups or newspapers and should be particularly careful about its arrangements with organizations in the labor field.

Admiral Stevens said that a good rule for agencies engaged in overt propaganda would be the provision of marketable products at the market price.

Mr. Barrett, reverting to the question of coordination, suggested that the agreement worked out by the Central Intelligence Agency and the State Department should apply equally to ECA. [redacted] concurred and Mr. Drummond stated that

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he would welcome an opportunity to go over the agreement in terms of ECA activities in the field. Further discussion brought out the fact that the ECA office in Paris does not normally receive reports on projects of this kind, which are handled in the individual ECA missions in Marshall Plan countries. [redacted] noted that all projects requiring policy decisions were referred to Washington by his agency. Mr. Hulten said that all State Department projects in the field in this category were likewise referred to Washington for policy decision.

The following proposal by Mr. Barrett was accepted:

1. That the agreement between the State Department and CIA be referred to ECA for its approval,
2. That [redacted] will undertake to appoint a representative in [redacted] to coordinate projects in this field with designated representatives of State and ECA, and will consider the possibility of assigning a man to coordinate similar projects in [redacted] and other [redacted] countries.

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Mr. Stone was requested to send a copy of the State Department-CIA agreement to Mr. Drummond in Paris and to check the Minutes of the meeting with [redacted]

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